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for such an outcome and they will be visibly upset.

I do not mean to say that many who have supported and worked to assure a strong and continuing United Nations do not also oppose this policy change. We can certainly sympathize with their disappointment over the position we have taken. If the United States had insisted on the application of article 19 and if we had successfully obtained the support of a consensus in the General Assembly—forcing all nations to share financial responsibility for peacekeeping operations—it would have strengthened the role of the U.N. immeasurably.

This needed consensus did not exist, nor did we envision such a consensus in the foreseeable future.

Therefore, this move is to the credit of the United States and illustrates graphically our strong desire to see the United Nations continue in existence and grow in strength.

I join with Ambassador Goldberg in looking forward to that day when the entire membership of the United Nations will resume its "full range of collective responsibility for maintaining world peace." I also look forward to the day when article 19 can be enforced without question and when the rule of law will dictate the settlement of international conflicts rather than the rule of superior force and self-interest of the most powerful nation in a dispute that happens to cross national borders.

We cannot continue to work for such a situation with a deadlocked General Assembly. The United Nations cannot continue to serve its peacekeeping and peacemaking functions to the best of its ability with this impasse blocking the road.

#### THE PRESIDENT'S FINEST HOUR

(Mr. GONZALEZ (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, President Johnson once again shared with the Nation the problems which every American in common faces over our commitment in Vietnam.

Speaking on nationwide television, Mr. Johnson gave a frank appraisal and a no-punches-pulled prediction of what America must do to thwart communism in southeast Asia.

Not every American agrees with the President to be sure. This is the way it should be in a democracy such as ours.

However, nearly everyone must agree in their praise for the open and frank discussion of the Vietnam problem which President Johnson shares with the American public.

William Randolph Hearst, Jr., wrote a fine editorial about the President's address to the Nation on Vietnam which appeared on the front page of the San Antonio Light of August 1.

Under previous consent I insert this editorial in the Record at this time:

#### EDITOR'S REPORT: THE PRESIDENT'S FINEST HOUR

(By William Randolph Hearst, Jr.)

Big day for L.B.J. That just about sums up my impression of the President's policy statement at his press conference this past Wednesday as well as the way he delivered it and the way he handled the subsequent questions from reporters.

He was at his masterful best and it was—to date—his finest hour.

There was no bravado, no jingoism, in his statement nor in his demeanor. It became clear as one listened to him that the President had spent hours of soul searching in preparing his guidelines of future U.S. policy in Vietnam. His manner was serious, deliberate, and at times deeply moving. It was not surprising to read that some of those at the conference, including Mrs. Johnson, were close to tears when the President spoke of his personal distress in sending our finest young men into this nasty war.

And he leveled with the American people; he treated them, as they should be treated, as adults, his intellectual equals. For example, he had the candor to say of the situation in Vietnam that "this is really war," not trying to mask it in some evasive catch phrase.

Candor was also admirably evident when the President advised his fellow citizens to be prepared for what could be a long war. It was present when he said the increase in our military strength in Vietnam from 75,000 to 125,000 men probably will be followed by the commitment of additional forces. It was present when he said that doubling the draft calls from 17,000 to 35,000 a month may not be sufficient; that, depending on the course of events, Reserve units may have to be summoned to duty.

The statement achieved an almost perfect balance between determination never to knuckle under to Communist aggression or the counsel of appeasers, and a willingness always to negotiate an honorable peace.

The heart of the statement lies in these words:

"These (present) steps, like our actions in the past, are carefully measured to do what must be done to bring an end to aggression and a peaceful settlement.

"We do not want an expanding struggle with consequences that no one can foresee, nor will we bluster or bully or flaunt our power.

"But we will not surrender and we will not retreat.

"Once the Communists know, as we know, that a violent solution is impossible, then a peaceful solution is inevitable.

"We are ready now, as we have always been, to move from the battlefield to the conference table.

"I have stated publicly many times, again and again, America's willingness to begin unconditional discussions with any government at any place at any time."

The President enlarged that willingness by saying the United States is prepared to listen to Hanoi's terms for ending the fighting providing Hanoi is willing to listen to ours.

He added later, in answer to a question, that even the Vietcong guerrillas "would have no difficulty in being represented and having their views presented if Hanoi for a moment decides that she wants to cease aggression."

Finally, he energetically and dramatically encouraged efforts by the United Nations to work for an honorable peace.

The President instructed Arthur J. Goldberg, who stepped down from the Supreme Court last week to become our U.N. Ambassador, to make it his first business to present

a Presidential letter to U.N. Secretary General Thant. The letter asked that "all the resources, energy, and immense prestige of the United Nations be employed to bring peace."

It is significant that the policy statement, and the way it was proclaimed, either drew to the President's support, or substantially modified, some influential voices in Congress that had been openly dubious before.

Representatives GERALD R. FORD of Michigan, House minority leader, and MELVIN R. LAIRD of Wisconsin, chairman of the Republican Conference had been demanding an all-out air attack on North Vietnam instead of a buildup of ground forces.

After the President spoke they shifted position, saying they would "wait and see." Mr. FORD added that he supported the President's "firmness against Communist aggression."

Senator GEORGE D. AIKEN, Vermont Republican, and a member of the Foreign Relations Committee, who also had been a critic, swung over to support. He said the policy statement "won't satisfy those who have been advocating a great expansion of the war or those who say 'get out, lock, stock and barrel.'" He continued:

"The President's middle course will find general acceptance throughout the country and probably will be more conducive to ultimate peace than a more extreme statement would have been."

I second that.

Yes, it was a big day for L.B.J.

Charles de Gaulle, this past week, added injury to insult in his deteriorating relationship with NATO.

It occurs to me, though, that his latest gratuitous act—ordering all French officers attached to NATO headquarters staff to boycott planning for integrated exercises—will in the long run boomerang on crotchety Charley, and what's infinitely worse, on France.

As all those who care already know, France no longer has anything but token forces in the European defense shield, anyway.

France withdrew her navy from NATO command in 1959 and has never replaced her army since pulling it out of Europe for action in Algeria some years back.

Then, too, De Gaulle gave the heave-ho to our atom bomb-carrying Air Force because we wouldn't give him control of their D-Day mission.

The only real surprise in this latest "go it alone" act may be in the chain of results it sets off—and the chagrined one could be De Gaulle himself.

For if France, which under his leadership has been cutting, one by one, its ties to the mutual defense of Western Europe, finally pulls out entirely, the vacuum thus created will be filled. The philosopher Spinoza put it concisely and accurately: "Nature abhors a vacuum."

The gap left by France can be filled only by one country, and that is Germany, but the long memories of the French people will certainly make them unhappy about such a result of big Charley's policies. In fact, the support they have given him all these years could very conceivably melt away.

That West Germany would have to be the leading European power in the NATO Western alliance is obvious on the face of it. No other European member of NATO can furnish the manpower, the skills, the all-around strength.

The rest of Europe would have no choice but to look to Germany and in a showdown with the Communists we might find ourselves with no choice but to put nuclear weapons in the West Germans' hands.

The rise to leadership of West Germany would also necessarily have the effect of giv-

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ing the Russians the jitters, perhaps dangerously, for they too have long memories.

And all this chain of circumstances—none of which this country or the rest of West Europe would prefer by choice—would be laid at De Gaulle's door.

Military experts who have studied the problem believe NATO can handle its staff, headquarters and logistics problems if France does finally decide it wants to get off. And that decision is thought to be very likely, with this latest move for separatism following on the well-dramatized De Gaulle howl last week over a U.S. plane violating French air space.

Violating what? United States and other planes on NATO assignments have been flying over all parts of France since the Western defense organization was formed. The big beef this time is taken to mean De Gaulle no longer wants the alliance.

But De Gaulle's parading of his ersatz might and his pompous pride in his comparatively pea-shooter-size nuclear power do not mean France can really go it alone. Not by a long shot, and surely nobody knows that better than big Charley.

In fact, in a recent article in a major French publication which I quoted a few weeks ago, the writer called the turn on De Gaulle. In 1947, he pointed out, De Gaulle "could hear the Cossacks marching on Paris." In 1965, he is no longer afraid the Russians will invade, and feels safe in asserting his emotional resentment toward the United States which protects him.

For make no mistake, it was and still is the umbrella of U.S. might—irresistible nuclear power—on which De Gaulle relies, and must rely in the long run, as must all the free world.

—WILLIAM RANDOLPH HEARST, JR.

(Mr. GONZALEZ (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. GONZALEZ' remarks will appear hereafter in the Appendix.]

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[Mr. GONZALEZ' remarks will appear hereafter in the Appendix.]

#### WHITE HOUSE LIAISON—UNPRECEDENTED ACCOMPLISHMENTS OF LAWRENCE F. O'BRIEN CITED

(Mr. BOLAND (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOLAND. Mr. Speaker, another distinguished Washington correspondent, Robert E. Thompson, of the Los Angeles Times, has written about the "unprecedented" accomplishments of Lawrence

F. O'Brien, Special Assistant to the President for Congressional Affairs, in both the Kennedy and Johnson administrations.

Mr. Thompson points out in his column printed in the August 15 edition of the Los Angeles Times that since 1961 Mr. O'Brien has "been able to win congressional approval for almost every major legislative objective of the New Frontier and the Great Society."

This Washington columnist goes on to add:

Mr. O'Brien also transformed the makeshift White House congressional relations operation of the past into a viable, permanent agency within the executive arm. The task has been a difficult one. The pressures have been brutal.

Mr. Speaker, for the benefit of all of my colleagues who know and respect Larry O'Brien, I insert Mr. Thompson's column with my remarks in the body of the RECORD:

[From the Los Angeles (Calif.) Times, Aug. 15, 1965]

TOP KENNEDY, JOHNSON AD DUE TO STEP DOWN—PRESIDENTIAL ASSISTANT LAWRENCE O'BRIEN MAY RUN FOR SENATE FROM MASSACHUSETTS

(By Robert E. Thompson)

WASHINGTON.—As Congress strides toward adjournment, the door appears to be closing on the remarkable White House tenure of Lawrence F. O'Brien, last of John F. Kennedy's pre-1960 associates to remain in Lyndon B. Johnson's intimate service.

After nearly 5 years, O'Brien is expected to step down this autumn as special Presidential assistant in charge of congressional liaison.

He may enter private business or more likely, he may seek his own political fortunes in Massachusetts, taking aim at the Senate seat now held by Senator LEVERETT SALTONSTALL, Republican, of Massachusetts.

#### LEAVES GOOD RECORD

But whatever his future route, O'Brien will leave behind a record of unprecedented accomplishment in his maneuvers between the executive and legislative branches of the Federal Government.

Working first with Mr. Kennedy and then with Mr. Johnson, he has since 1961 been able to win congressional approval for almost every major legislative objective of the New Frontier and the Great Society.

He also transformed the makeshift White House congressional relations operation of the past into a viable, permanent agency within the executive arm.

The task has been a difficult one. The pressures have been brutal.

While Mr. Kennedy lived, O'Brien was confronted with Congresses in which numerical Democratic control was highly deceptive. He constantly faced the turmoil of waning legislative victories against a powerful coalition of Southern Democrats and Republicans. Sometimes he lost.

#### HOLDS TOUGH JOB

With Mr. Johnson, he has been charged with conducting the congressional operations for a President who probably knows more about the inner workings of Congress than any other living man.

But, in the past year, there has been a new and more personally vexing pressure on O'Brien.

For his loyalty to Mr. Johnson has been interpreted by some of his close associates of the New Frontier as disloyalty to the memory of Mr. Kennedy.

While he has worked arduously to achieve legislative goals which were handed down to Mr. Johnson from Mr. Kennedy, O'Brien

has been the target of bitter innuendo from individuals who once were his closest friends. But he has withstood the ordeal in soldierly fashion.

#### JOHNSON GRATEFUL

No man was more dedicated to Mr. Kennedy or more bereaved by his assassination. Yet no man who was deeply involved in Mr. Kennedy's public life has done more to assist the late President's personally chosen successor.

Mr. Johnson is cognizant of the torment heaped upon O'Brien by old friends and allies. He also is appreciative of the services performed for him by O'Brien.

When he signed the Medicare law in Independence, Mo., on July 30, the President publicly described O'Brien as "the White House's best legislator."

When he affixed his name to the Voting Rights Act 2 weeks ago, Mr. Johnson summoned O'Brien to his side and threw an arm around him to demonstrate his appreciation.

These were not idle gestures. For Mr. Johnson knows, as do most Members of Congress, that O'Brien is the closest thing to a political genius that the Democratic Party has discovered since James A. Farley.

He was the architect of the organization which helped Mr. Kennedy defeat Henry Cabot Lodge in the 1952 Massachusetts Senate race, to win an amazing reelection victory in 1958, to capture the Democratic presidential nomination in 1960 and to defeat Richard M. Nixon in the election of that year.

The handbook of Democratic organization which O'Brien wrote a few years ago has become the campaign bible for both parties. Senator Barry Goldwater admitted to O'Brien last year that he borrowed heavily from the handbook in charting his successful campaign for the Republican Presidential nomination.

The fact that Goldwater could enjoy a friendly chat with O'Brien amid the heat of an acrid campaign was not unusual. For a while O'Brien has been shrewd and tough in combat, one of the marks of his White House service has been that he has made few enemies.

A gregarious, articulate Irishman, O'Brien enjoys friendships on both sides of the aisle in Congress. It would be difficult, even after 5 years, to find a single legislator who bears personal animosity toward the director of the White House liaison operation.

#### HE OFTEN WINS

Yet O'Brien has defeated some powerful men on some vital issues, beginning with his successful move in January 1961, to enlarge the House Rules Committee and thus dilute the authority of its conservative chairman, Representative Howard SMITH, Democrat of Virginia.

Even those who disagree sharply with the ideology of the Kennedy-Johnson administrations agree that O'Brien has helped put together a monumental record of legislative accomplishment.

Mr. Johnson, of course, has exerted tremendous personal persuasion on Congress, sparing no effort to win passage of his program. But he has counted heavily on O'Brien.

During O'Brien's years at the White House, Congress has established the Peace Corps and the Alliance for Progress. It also has approved such far-reaching measures as the nuclear test ban treaty, the \$1.25 an hour minimum wage, the International Trade Expansion Act, the \$11 billion income tax cut, the \$4 billion slash in excise taxes, the first Federal program of aid to education, Medicare, the war on poverty, aid to Appalachia, the Civil Rights Act of 1964, and the Voting Rights Act of 1965, and expansion of the housing, desalination, natural resources, health, and mass transportation programs.

With this record behind him O'Brien is considering returning to his native State to

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programs, but none, as far as I can see to ways of getting rid of them entirely.

The bill we are considering here today is not a temporary measure. It ratifies and reinstates long standing subsidies and supports, some of which were initiated as temporary measures 20 years ago. It adds new subsidies and new supports and it holds no promise for the future but more subsidies, more supports and the grim specter of growing Government controls over our economy. Just last week, we saw this same concept applied to industry in the administration's Public Works and Economic Redevelopment Act. We must stop somewhere.

I could support a farm bill which introduced a gradual phaseout of these uneconomic subsidies, even over a long period of time. Until such a proposal is incorporated, however, I must oppose. I could and have supported measures to assist farmers in need, to rehabilitate and educate, to help them improve farming methods.

Proponents of this bill argue that although food prices have gone up over recent years, the farmers' profit has not. I ask why not? If the farmer is not getting his share of the profit that is being made from food distribution then I wonder whether instead of legislating controls and subsidies for the farmer or we ought not to be finding out who is skimming the profit off the top?

Undoubtedly there are worthwhile programs buried in H.R. 9811. But they are far outweighed by the harm that is being done to our free enterprise economy by it.

I am tired of being asked, "But what will happen if we do not pass this bill?" Every time we are asked to vote for a bad bill, this is the question with which we are faced.

I do not believe the American people will accept this sort of fuzzy argument any more. They expect us to come up with good legislation, not bills that are only a little better than the claimed disaster we face if they are not passed.

But I reject the idea that we face such a disaster at all if we defeat H.R. 9811. If we do not pass this bill, only one of the programs in it would expire, the wool program. If we do not pass this bill the only disaster we face is that we will be just as badly off as we have been under successive farm legislation of the past. In short, if we do not pass this bill—and I strongly hope that we will not—we have time to get to work on creative, forward-looking legislation that will be aimed at curing some of the ills of our farm economy instead of enshrining them in Federal law as permanent fixtures of national economy.

#### NATIONAL DRUM CORPS WEEK

(Mr. GARMATZ (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GARMATZ. Mr. Speaker, our newspapers and magazines daily call attention to juvenile delinquents and the unfortunate incidents in which our young people are involved.

This week has been designated as National Drum Corps Week and honors about 1 million of our young people who are active in drum corps.

The misdeeds of the few are given wide publicity and, therefore, it is especially appropriate that the many activities of a worthwhile nature are brought to the attention of the public.

In my own city of Baltimore, and indeed, throughout the State of Maryland, there are many drum corps in which thousands of our young people are active. Many of them are sponsored by veterans or civic groups and they compete annually for honors and trophies.

I think this splendid program should be encouraged, as it not only has cultural value but focuses the sights of the participants on wider activities of a group nature and enables them to participate in many civic affairs, which they would not otherwise be aware of, much less attend. Let us do everything we can to promote this extremely worthwhile cause.

#### A SALUTE TO THE DRUM CORPS

(Mr. FRIEDEL (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FRIEDEL. Mr. Speaker, as lawmakers for the Nation, we are charged with the duty and responsibility to promote the general welfare. In fulfilling such obligation, we naturally take note of those things which either further that desirable objective or which tend to work against it.

Everyone, no doubt, will agree that we would much rather be able to point to something with pride than view it with alarm. I am, therefore, happy to observe the widespread interest throughout the United States in the very wholesome activities of drum and bugle corps.

The great extent of this interest is indicated by the establishment in every section of the country of State associations or regional groups of drum and bugle corps units for the purpose of promoting activity for member units and helping local communities to organize civic festivities or other special events involving participation by young men and girls who play the drums and bugles. The drum corps is primarily a youth activity which performs a vital service in the constructive development of our youth by offering them an opportunity to acquire an interest in music, to learn the value of teamwork, and to channel their leisure time into worthwhile ends.

The ugly words, "juvenile delinquency," are heard with greater frequency now than in former times. We are appalled at the rise of crime in our country. I can think of no better way to combat misconduct of our young people than to have them become members of their local drum corps or drum and bugle corps. At this time more than 1 million young Americans are engaged in colorful and patriotic drum corps activity.

The week of August 15-21 is National Drum Corps Week. It merits our enthusiastic support and the cooperation of

both the general public and all governmental officials. I know my colleagues in the Congress will join me in wishing every success to the fine young men and women who are members of the corps.

*F2*  VIETNAM

(Mr. BINGHAM (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, in response to a questionnaire I recently circulated in my district, some 60 percent of the 8,000 who answered indicated that they favored the administration's policy in Vietnam or more drastic measures. In spite of this, most of the mail I have been receiving is critical of our military actions in Vietnam.

Because it may be of possible interest to my colleagues in the Congress and to readers of the CONGRESSIONAL RECORD, I include herewith a statement on the subject of Vietnam which I am sending to my constituents who have written to me on this subject:

#### STATEMENT ON VIETNAM

In recent weeks I have continued to find out as much as I can about the situation in Vietnam and about the effect on our position at the United Nations and elsewhere in the world of our policies in Vietnam.

To this end, I have participated in two briefings at the White House, in several conferences with the Secretary of State and others in the State Department, and in meetings with other experts, some of whom are critical of our policies. I have read voluminous materials from various sources on the subject. I helped to arrange a public forum on this subject in my district. Recently, at the invitation of Congressman BENJAMIN ROSENTHAL, I joined with him in conducting an informal public hearing in his district. Finally, I have read with interest and care the mail I have received from constituents on this subject.

My views may be summarized as follows:

1. I am enormously disturbed by the situation in Vietnam and am not hopeful of any favorable outcome in the near future. I know of no one in Washington who does not share this concern. The President, who keeps hourly track of the casualties with agonizing care, has indicated again and again his intense desire to move the dispute from the battlefield to the bargaining table and to achieve an honorable settlement. I profoundly hope that he will succeed in this endeavor.

2. I am utterly opposed to our moving land troops into North Vietnam or to bombing North Vietnamese cities. While there are those in Washington who argue for such extreme measures, I am confident the administration does not contemplate any such action.

3. I am also opposed to our withdrawing from Vietnam and letting the North Vietnamese Communists take over. Such a course would have devastating effects on our positions and objectives in many parts of the world. Most of the major neutral nations of the world would not be in favor of such a course. It is of interest that less than 10 percent of the 8,000 constituents who replied to my recent questionnaire favored this alternative in Vietnam. About 60 percent favored the administration's position or more drastic action.

4. I am fully persuaded that the administration's military endeavors are limited to what the administration considers necessary to prevent a North Vietnamese Communist takeover of South Vietnam. While I would have been much less disturbed if

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seek the Democratic Senate nomination and then run against Senator SALTONSTALL.

If he pursues this course, O'Brien could be in for the toughest battle he has faced.

(Mr. BOLAND (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. BOLAND'S remarks will appear hereafter in the Appendix.]

## FOREIGN AID WINS BUSINESS FAVOR

(Mr. OTTINGER (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I have watched closely the operations of the U.S. foreign aid program, not only during the time I served with the International Cooperation Administration, AID's forerunner, but during my years with the Peace Corps and the nearly 8 months I have served in this body.

One of the most impressive aspects of our foreign aid program is the extent to which American business has become involved.

The foreign aid program cooperates with and encourages U.S. business to participate in foreign assistance programs in many ways. Some of the programs have been in existence since Marshall plan days; many have been put into operation recently and significant expansion is expected during the coming year designed to increase the role of American private investment in the less-developed countries.

American business firms, universities, and private associations on contract provide about one-fourth of AID's technical assistance. American engineering and construction firms overseas are supervising the design and construction of some \$4 billion in capital projects AID is helping to finance in the developing countries. Private firms, labor unions, and local governments as well as universities provide training for some 6,000 participants a year; the value of training services for these programs has been estimated at more than \$10 million.

In individual categories, AID is the major financier of American exports to developing countries, accounting for more than 40 percent of iron and steel product exports, 65 percent of fertilizer export, and 30 percent of railway equipment sales. Beside expanding the role of U.S. business and industry in producing goods for international development, the AID program introduces diverse American products to growing new markets in the developing areas, establishes new trade ties and opens up markets for U.S. services.

The story of AID encouragement of U.S. private investment in the developing countries is a laudable one, as pointed out by the New York World Telegram & Sun in a recent article:

[From the New York (N.Y.) World Telegram & Sun, May 8, 1965]

## FOREIGN AID WINS BUSINESS FAVOR

(By Robert Dietsch)

WASHINGTON, May 8.—The administration's foreign aid program is getting considerable support from business this year. Three factors are responsible:

Foreign aid brings \$2 billion worth of sales to American business each year and opens the door to further private (and profitable) negotiations with foreign governments.

The program is being run more to business' liking. It is being reduced and streamlined and Administrator David E. Bell, by most judgments, is doing an outstanding job. Even the U.S. Chamber of Commerce had nice words for him recently.

Internationally minded executives feel foreign aid is a vital part of national policies. A good example is Chairman Sol Linowitz of Xerox Corp., who was instrumental in organizing the National Committee for International Development.

Its primary concern is to muster support and lobby for the aid program and its continuance.

All this does not mean that the majority of businessmen have jumped on the foreign aid bandwagon. "We still don't have a lot of executives behind us," one official of the Agency for International Development commented today. "But we are getting more support this year than ever."

The Linowitz committee is the first permanent business-dominated group to back the AID program. It reports a "remarkably good response from a recent membership drive." According to one spokesman, only "5 or 6 men turned us down among 35 asked to join."

Since foreign aid was tied to a "buy American" program in 1960, resultant iron and steel export sales have risen from \$14 million to \$156 million, miscellaneous machinery sales from \$26 million to \$170 million, chemical sales from \$18 million to \$99 million, and nonferrous metal sales from \$1 million to \$57 million.

In its report on steel prices early this week, the President's Council of Economic Advisers said:

"Most American (steel) exports are high-quality, sophisticated steels or are part of our 'tied' AID program to such countries as Pakistan and Wales."

At present, American firms hold \$4 billion worth of overseas construction contracts which are linked one way or another to AID programs. Some of this work involves private funds, it is true, but little if any would exist at all were it not for AID.

Private sales also linger after aid programs cease. U.S. private exports to Taiwan and Thailand, for example, are expected to continue upward after aid programs end shortly.

Some private deals with Japan can be counted as aid aftermaths. The same applies to India.

Under the "buy American" policy, almost 90 percent of AID's current \$3.3 billion appropriation will be spent in this country. AID foreign loans involve a line of credit for foreign countries, not cash.

Recipient countries tell the agency what they want to buy and AID prints the requests in bulletins distributed to 6,000 firms.

Approximately 100,000 business contracts are let through AID programs each year.

## THE SO-CALLED OMNIBUS FARM BILL

(Mr. OTTINGER (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the

RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I regret that I must rise once again to speak in opposition to a major spending bill proposed by the administration.

H.R. 9811, the so-called omnibus farm bill, is probably the most complex and expensive single piece of legislation we have been called upon to consider in this session of Congress.

I cannot pretend to be conversant with all the incredible complexities of this bill. There are so many special interest subsidies for so many varied products, I doubt if the members of the committee can unravel them all. But I do know that it will mean the expenditure of more than \$4 billion of the taxpayers' money on programs that have not succeeded in the past, that cannot succeed in the future and that are inimical to the basic concepts of our American way of life.

I know that it vests the Secretary of Agriculture with extraordinary powers in the expenditure of this tremendous appropriation. I know that it deprives the Congress of the United States of its right to review these expenditures for 4 years and that it gives the Secretary of Agriculture unusual, and I believe unreasonable, power to interfere in the day-to-day operation of private farming businesses.

I also know the bill continues the various programs of paying uneconomic subsidies to farm businesses to produce surpluses which we must then again pay to have stored.

For any one of these reasons, I would find this bill objectionable and worthy of defeat.

I will leave to those better qualified than I the discussion of the defects of the specific provisions of the bill. What concerns me most is the corrosive effect this legislation will have upon our free enterprise system, our American initiative.

Neither I, nor any other American, want the Nation's farm economy to be struck by economic disaster. It is clearly the responsibility of the Federal Government to step in and help when any sector of our economy is suffering undue hardship. But I believe that the American people want the Federal Government to step in with temporary measures that will help strengthen and rebuild the economic structure of the farm economy—and then step back out again. We do not want the Federal Government to perpetuate forever an artificially supported, unsound situation.

This farm program is the Federal version of "The Man Who Came to Dinner." Everybody admits that it is an unwanted "guest" in our Federal system. Everybody agrees that it ought to be ordered out of the Federal house. But when the time comes to do something about it, then we hear that the consequences of evicting it are too great.

There has been a great deal of thought given to ways of getting a better result from the Federal subsidy and support



we had not engaged in even limited bombings in North Vietnam and if we had not decided that American forces, in largely augmented numbers, were to be used in combat in South Vietnam, I do not feel that I have the information on which I can base a conclusion that these steps were not necessary to achieve the defensive objective stated above. I am convinced, however, that bombing attacks have not and will not destroy Hanoi's will to fight. Any attempt to step up the attacks in an effort to bring Hanoi to its knees would be not only immoral and contrary to our humanitarian principles and traditions, but, in my judgment, would fail.

5. During the past several months, the President has, step by step, intensified his efforts to find a road to a peaceful settlement. These welcome pronouncements by the President have clarified our intentions and strengthened our position among the non-Communist nations of the world.

6. I particularly welcome the President's recent emphasis on his desire to rely to the extent possible on the United Nations. The President's appointment of Arthur Goldberg to represent the United States at the United Nations was magnificent, and I feel sure we can rely on Ambassador Goldberg to use all his noted resourcefulness in this task. This does not mean, to my mind, that it would be useful at the present for him to attempt to obtain formal action with respect to Vietnam from the Security Council or the General Assembly. More fruitful will be the mediation and conciliation procedures open to the Secretary General. In addition, of course, the U.N. may well have a major role to play in policing any settlement that is arrived at and in coordinating the regional economic and social development programs that we hope will be undertaken in accordance with the President's great speech at Johns Hopkins University on April 7, 1965.

7. In my judgment any meaningful negotiations for a settlement in Vietnam will have to include representatives of the Vietcong, along with the representatives of Hanoi. I was encouraged by the President's statement on this subject at his July 28, 1965, press conference, as follows:

Question: "Mr. President, would you be willing to permit direct negotiations with the Vietcong forces?"

The President: "We have said we would negotiate anywhere, at any time. The Vietcong would have no difficulty being represented and having their views represented if for a moment Hanoi decided she wanted to cease aggression. I don't think that would be an insurmountable problem. I think that could be worked out."

8. On the question of possible inclusion of Vietcong representatives in the negotiations, as well as on other questions, it may well be that the Government of South Vietnam will, on various points, prove to be more intransigent than our own Government. It would be a mistake, I believe, for us to feel bound by the positions taken at any given time by whatever government happens to be in power in South Vietnam.

9. There has been much debate as to what we have pledged to the people of South Vietnam, and as to whether, as the President has said, our national honor is at stake. This debate may be relevant to the issue of whether we should continue to assist South Vietnam or should withdraw altogether. But to my mind this debate is not relevant to the question as to just how far we should go in helping South Vietnam. We cannot, by searching the historical record or by debating questions of national ethics, determine the wisest course to follow in seeking an honorable and viable solution to the problems of southeast Asia. What is more important is to determine what our objectives should be in that area and how best to achieve them, and, if we cannot achieve our long-range objectives all at once,

to determine what interim steps should be taken.

10. For the short run, I suggest we should work toward free elections in South Vietnam and for the establishment of effective international machinery to supervise such elections and to guarantee that the will of the people, as evidenced by such elections, not be frustrated by aggression or interference from outside. For the time being, I cannot conceive that meaningful elections could be held in North Vietnam, and I, therefore, can see no purpose in our insisting on the provisions of the 1954 agreement in this regard. We would, by such a course, be accepting at least a temporary division between North and South Vietnam, but we have adjusted ourselves to such divisions elsewhere. As it happens, during most of Vietnam's history, north and south have not been united. While Peiping may well seek to prevent any settlement, an interim solution along these lines should be susceptible of negotiation with Hanoi, provided the representatives of the Vietcong were not excluded from the negotiations. It would, indeed, be absurd to seek to exclude them, since they would necessarily have to be allowed to participate in the elections.

11. For the long range, I would suggest that we ought to aim at a regional solution for all of Vietnam, Cambodia, and Laos. It would be unreasonable to expect that such a regional grouping would be ranged on our side against the Communist Chinese and the Russians. It would be more realistic, and sufficient for our purposes, if this grouping were independent, even though neutral in the East-West struggle. We could encourage and strengthen such independence, as President Johnson suggested at Johns Hopkins, by contributing generously to a U.N.-coordinated regional program for the economic and social development of the people of the area. It seems not beyond the realm of possibility that such an independent entity should eventually be acceptable to Communist China and to the Soviet Union, since this result would coincide with the desire of each of these powers that the area should not be dominated by the other.

12. I venture into this difficult and unfamiliar terrain, in spite of my lack of expert knowledge, because it seems to me that it is time we began to discuss more fully in the United States the kind of solutions, short range and long range which we are working toward in southeast Asia. It may be all the more important for this type of discussion to be carried on by those outside the administration, because the administration itself will naturally not wish, before any negotiations have begun or even early in any negotiations, to disclose the nature of the settlement which it would be willing to accept.

#### WRAPPING UP U.S. AID TO THE REPUBLIC OF CHINA

(Mr. SCHMIDHAUSER (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SCHMIDHAUSER. Mr. Speaker, the termination of U.S. economic assistance to the Republic of China on Taiwan marks another successful accomplishment of U.S. efforts to help the developing nations maintain their independence and become self-supporting nations.

Major U.S. aid, well-administered, plus exceptional efforts on the part of the people of Taiwan have made the country a symbol of hope and success in the Far East.

As David E. Bell, Administrator of the Agency for International Development,

stated on the completion of U.S. aid June 30:

Strong and sensible efforts by the Chinese people, plus major foreign aid from the United States have brought noteworthy progress. Together, we have built roads, ports, power stations, and strengthened or created a great variety of institutions that will continue to serve the people. Production, incomes, and exports are rising. But the crucial change is that Taiwan today has the trained leadership and the capital base to allow the nation to achieve further progress on its own. We who have worked in this truly mutual enterprise salute the Chinese on their achievement of economic independence.

Taiwan's progress has been exceptional. But other developing countries are also making substantial progress and will be following in Taiwan's path as we of the industrialized world use our experience and our capital to help them work toward self-support.

The following is a detailed AID report on the accomplishments of the U.S. aid mission to Taiwan, which I am sure will be of great interest to all those who have followed the progress of this industrious country:

#### WRAPPING UP UNITED STATES AID TO CHINA

The AID program for the Republic of China on Taiwan comes to an end June 30, 1965. It has done its job, and the mission headquarters for the Agency for International Development is closing its doors.

Taiwan signifies another success in economic development. The Republic of China itself has become an aid donor. Chinese technicians are serving today in Vietnam and in several African countries as part of free China's own foreign aid program.

The end of economic aid programs in Taiwan does not mean the Chinese have become rich. Per capita income averages only \$150 a year as compared with the United States \$2,500. But Taiwan is launched on a self-generating course of development. It is on its own. To handle the final closeout operations, AID will maintain a small administrative group under Gerald Huffman, AID representative and U.S. member of the Joint Commission on Rural Reconstruction.

In 16 years, \$1,425 million in AID economic assistance has been provided to Taiwan. This represents about \$7 worth of assistance to each person a year. In the aggregate, it is a large sum, but individually it seems modest. What has this money done?

#### GROWTH OF A COUNTRY

Funds committed to Taiwan have helped to double the real income of the people. The country's gross national product has increased by almost 7 percent every year. Industrial production has been rising at an average rate of 12 percent a year, and agricultural production has been climbing at almost 5 percent a year. This is well above the 2.8-percent population growth rate which, incidentally, is one of the highest in the world today. The Chinese are now promoting family planning and early efforts in some test cities give indications of success.

Foreign investments amount to \$138.7 million, of which \$52.4 million has come from the United States. American firms are represented in a variety of industries on Taiwan, including textiles, construction materials, home appliances, and detergent manufacturing. Recently the Bank of America and the First National City Bank of New York opened branches in Taipei. Current foreign investment on Taiwan is 125 times what it was back in 1952. Gross capital formation has grown at an average rate of 13 percent.

At the same time, exports have grown prodigiously. In the decade between 1953 and 1963, they went up 140 percent, giving China last year a favorable trade balance for the

first time. And exports have been diversifying with new industries developing and taking over some of the traditional emphasis on agricultural products. The ratio of sugar and rice exports to total exports has fallen from 75 percent in the early 1950's to below 30 percent today.

Increasing economic health has increased China's ability to make her own economic way in the world. It is expected that while new U.S. AID economic funds are no longer forthcoming, the Government of China will acquire needed capital through private conventional sources and also from the World Bank, the Export-Import Bank and similar institutions in other developed countries. The last time China received a new AID dollar loan, authorized on June 14, 1963, interest was set at 3.5 percent with repayment over 20 years. Earlier dollar-repayable AID loans were written for three-fourths of 1 percent interest over 40 years. Even earlier, economic assistance had come in the form of grants or loans repayable in local currency.

While AID assistance is ending, commitments under the Food for Peace program (Public Law 480) continue through 1966 with all sales next year falling under title IV which calls for payment in dollars rather than local currency. At the same time, title II and title III programs involving commodities made available for emergency relief or through voluntary relief agencies are expected to continue. So far, all four titles of Public Law 480 program have contributed the equivalent of about \$300 million to China's economic development. Slightly more than half of that fell under title I representing sales for Taiwan dollars.

Military assistance, of course, will also continue to operate in China. The United States has provided, since the Chinese government moved to the island of Taiwan from the mainland in 1949, almost \$2.5 billion, all in grants.

#### LIUTU INDUSTRIAL DISTRICT

Between the capital of Taipei and the port city of Keelung a new industrial park is being built. Factories range from small labor-intensive shops to large plants like Winchester's which, inaugurated last October, now employs 150 and can turn out 17 million batteries a year. Workers earn between about \$12.50 a month (which was the wage paid to a boy apprentice in the carbon black shop) to \$65 a month for a skilled foreman with 25 years service. Chung Tao Kiang, general manager of the plant, a Chinese who had served in the Generalissimo's army on the mainland before moving with a million and a quarter other Chinese to Taiwan, said that the company exports its product to several parts of the world including the Philippines, Vietnam, and Australia in the East and South and Central America. One item they keep on hand is a silver-plated shovel presented by the Olin Mathieson Co. on the occasion of the ground-breaking ceremony March 3, 1964.

A new enterprising small company is the Far East-American Marble Co. which cuts, shapes, and smooths marble from the mountains of Taiwan for use in new buildings now going up. Both the 400-room President and the 300-room Ambassador Hotels, Taipei's newest and largest hotels, have marble furnishings supplied by the Far East-American Marble Co. These hotels, put up with the help of AID local currency funds loaned at 12 percent interest, represent Taiwan's push for more business. Tourism has been growing at a rate of 35 percent a year and this year is expected to attract 125,000 visitors. The raw marble in the mountains is not far away. It takes only half an hour to fly from the industrial district to the quarry. But it takes 14 hours to haul it out by truck.

Alongside the Liutu industrial district runs the recently opened MacArthur Thruway, linking Taipei with its port at Keelung.

It costs 5 new Taiwanese dollars to travel its 15 miles (about 12 cents) and it's worth it. The Chinese built it—and without AID funds.

AID hasn't had to invest much in money for Taiwan's highway program. Mostly technical advice has been provided for such projects as the cross-island road built by retired servicemen. Total U.S. dollar assistance for Taiwan highways has amounted to \$154,000.

#### GOVERNMENTAL DEVELOPMENT

The mayor of the capital city of Taipei is himself a foreign-aid recipient. He is also a leader of the opposition party. A native-born Taiwanese, Mayor Henry Kao (pronounced Gow), was sent to the United States in 1951 as the first participant receiving a foreign-aid grant for study from Taiwan.

He spent 3 months at the National Bureau of Standards in Washington, another couple of months with the U.S. Pipe & Foundry Co., Barrington, N.J., half a year with the Methods Engineering Council in Pittsburgh, and finally 2 months with Massachusetts Institute of Technology's Professor Taylor, a specialist in the use of sand for making foundry castings.

"I went over to your country to learn casting engineering," the mayor says with a twinkling smile, "but I really learned about casting votes."

He has twice been elected mayor of Taipei, the first time in 1954 and then again 10 years later. The term of office is 4 years. During his first term, he made another trip to the States, again under the auspices of the foreign aid program, this time to study city government operations and to attend the American mayors' conference. Unlike his yearlong visit in 1951-52, however, this one lasted only 45 days.

"I'm the opposition to the party in power on this island," Mayor Kao says with some fervor, "and I won the last time by just 16,000 votes—192,000 to 176,000."

Mrs. Kao also has been to America. A medical doctor, she went on from the International Medical Women's Association meeting in London in 1958 to spend 5 months visiting Boston, New York, Detroit, Chicago, and Washington, D.C. Also a native Taiwanese, Madam Kao met her husband when they were both studying in Tokyo. They have four sons.

The mayor says he intends to remain a good politician. He is friendly, humorous, and erudite. Besides Taiwanese and English, he speaks Japanese and Mandarin. And he's a joiner—of the Lions Club, Rotary, Mason, Shriner, and Friends of China Club.

#### AID TO INDUSTRY

Another Taiwanese who has moved with the times and is proud of it is Chen-Fu Koo, president of the Taiwan Cement Co. He never expected to be an industrialist. Born of an old and distinguished family, he inherited the family domain—7,000 acres of farmland with 2,000 tenant farmers working it.

What did Mr. Koo think of the new government's plan to divide the property among those who tilled it—a program that was put in force in 1954? "Well, I didn't think much of it at the time," he said. "Other landholders and I found it difficult to reconcile ourselves to the plan."

But they had to give up their land by government decree, receiving in return shares in new government industries. From that start, Mr. Koo went on to become the head of one of those industries—the Taiwan Cement Co.—and he also was one of the founders of the Taipei Stock Exchange, established in 1962.

What does he think of land reform now? "It's the best thing that could have happened to Taiwan. It has been a huge success."

Mr. Koo has moved with the times, and he no longer longs for those 7,000 acres that

had been in his family for more than 700 years.

#### AID TO AGRICULTURE

On the other side of the scale, another man who has moved with his times is Lien-Fang Peng, a wiry and vigorous grandfather who, with his five sons, owns 12 acres of farmland about 50 miles south of the capital city. They grow rice and mushrooms and, in between the rice rows, sweet potatoes. Through relay planting, taught them by Taiwan agricultural extension workers, they harvest three and sometimes four crops a year. The sweet potatoes and turnips they use to feed their hogs. Mushrooms, virtually unknown on Taiwan a few years ago, earned about \$18 million in export sales for Taiwan last year.

"All of this would never have been possible," says Farmer Peng, "without the government's land reform program. We've been able to buy our own land, and we've been given advice on how to improve it."

In a country where half the population is agricultural and only a quarter of the geography is arable, technical advances in productivity are especially important. A measure of the advances brought on by the government through the JCRR (the Joint Commission on Rural Reconstruction on which AID has a Commissioner) can be seen in the lifting of farm income by 90 percent in the past 10 years. At \$135 average per person a year, it is getting close to the country's \$150 average.

Farming on Taiwan is a success story. By trading the large farms of the Mr. Koo's for stock interests in new industries and turning the property over to the Mr. Pengs, Taiwan has eliminated absentee ownership, made landowners of 86 percent of the working farmers, stimulated industrial growth, and increased agricultural productivity.

#### HEALTH AND EDUCATION

From a dollar-cost point of view, a relatively small portion of total U.S. economic aid has been directed toward programs in the fields of health and education. In the 14 years through 1964, the amount equaled only 3 percent of the total—\$32,976,000 for health and sanitation and \$9,383,000 for education. Considerable results have been achieved.

The scourge of malaria has been beaten. In 1950, 12,000 people died from the disease. Today, with the help of the U.S. antimalaria program, there are no malaria fatalities.

Taiwan has a good school system. More than 96 percent of the children of school age are enrolled. There are more than 1,800 grade schools, and the number of secondary schools has increased 7 times since the end of World War II. To help build the educational talent of Taiwan, the aid program has provided training in the United States or other countries for 478 Chinese. Another 202 have received similar training in the health and sanitation field.

An individual Chinese on Taiwan consumes about 2,500 calories a day of a high protein diet and can look forward to a life expectancy of 63, an advanced age especially for the Far East. Ninety percent of the people are literate.

#### AID FROM INDUSTRY

Robert W. Belt has arrived in Taiwan, the first member of the International Executive Service Corps to be assigned to the Far East. A civil engineer graduate of the University of West Virginia, class of 1932, he aims to develop a program of management and executive services for Chinese business that will improve their merchandising, quality control, personnel relations and the like. Though he arrived only last March, from his home in Two Rivers, Wis., Belt is already an expert on Taiwan. He has served there with AID for 25 months, and he has visited more than 400 plants up and down the 200-mile length of the country.